

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
PURDUE PHARMA L.P., et. al ¹)	
)	Case No. 19-23649 (RDD)
Debtors.)	
)	(Jointly Administered)

**COVER SHEETS FOR FOURTH INTERIM FEE APPLICATION OF
ERNST & YOUNG LLP FOR COMPENSATION AND REIMBURSEMENT OF
EXPENSES INCURRED AS AUDITORS AND PROVIDERS OF OTHER
PROFESSIONAL SERVICES FOR THE DEBTORS FOR THE
PERIOD FROM OCTOBER 1, 2020 THROUGH JANUARY 31, 2021**

General Information

Name of Applicant:	Ernst & Young LLP (“EY LLP”) Auditors to the Debtors and Debtors in Possession
Authorized to Provide Services to:	Purdue Pharma L.P., <i>et al.</i>
Petition Date:	September 15, 2019
Retention Date:	December 23, 2019 <i>nunc pro tunc</i> to September 15, 2019
Date of Order Approving Retention:	December 23, 2019 [ECF No. 698]

Summary of Fees and Expenses Requested for the Compensation Period

Time Period Covered by This Application:	October 1, 2020 through January 31, 2021
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¹ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

Total Compensation Requested: \$742,500.00²

Total Expenses Requested: \$-0-

Total Compensation and Expenses Requested: \$742,500.00

Summary of Past Requests for Compensation and Prior Payments

**Compensation Sought in This Application
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:** \$380,000.00

**Expenses Sought in This Application
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:**

**Total Compensation and Expenses Sought
in This Application Already Paid
Pursuant to a Compensation Order but
Not yet Allowed:** \$380,000.00

Summary of Rates and Other Related Information for the Compensation Period

**Blended Rate in This Application for All
Timekeepers** \$717.63

**Number of Professionals Included in This
Application:** 46

**Difference Between Fees Budgeted and
Compensation Sought for This Period:** N/A

**Number of Professionals Billing Fewer
Than 15 Hours During This Period:** 29

Increase in Rates Since Date of Retention: N/A.

This is a(n): _____monthly X interim _____final application

² Information Security Assessment Services work was inadvertently billed a total \$295,500 instead of the agreed-upon \$150,000. As a result, EY reduced the Total Compensation Requested by \$145,500. The current amount owed EY for Information Security Assessment Services work is \$112,500.

SUMMARY BY PROFESSIONAL

Information Security Assessment Services

Last Name	First Name	Title	Time
Bellon	Josephine	Manager	80.0
Caporale	Amelia	Partner/Principal	1.0
DePersiis	Brian	Partner/Principal	16.0
Hoxha	Olger	Senior	143.0
Lawson	Olatunde	Senior Manager	44.0
Lerner	Regan	Senior	1.5
Mendolera	Nicole	Manager	4.0
		Total	289.5

Total Fees Sought for Fixed Fee Information Security Assessment Services During Fee Period: \$112,500.

Audit Services

Last Name	First Name	Title	Time
Furtado	Justin	Manager	50.1
Sonika	Avinash	Senior Manager	10.3
Caporale	Amelia	Partner/Principal	40.4
Chun	Sung Hwan	Senior	8.4
Savell	Roger	Partner/Principal	13.8
Piotroski	Edmund	Senior	13.5
Voutsinas	Gregory	Manager	36.3
Ulman	Matthew	Senior	26.6
Tran	Loikevin	Manager	1.7
Biedziak	Eliza Anna	Senior Manager	6.0
Mutlu Tepe	Serpil	Manager	12.0
Ostling	Danita	Partner/Principal	1.5
D'Alessandro	Nicholas	Senior	25.6
Redmond	Robert	Manager	59.5
Klar	Stephanie	Staff/Assistant	222.3
Memeti	Andi	Staff/Assistant	143.1
Poptani	Simran	Staff/Assistant	1.5
Kotnala	Akshat	Staff/Assistant	14.0
Nayyar	Deepnagar	Senior	35.0
Girdhar	Divya	Staff/Assistant	22.0
Chawla	Garvit	Staff/Assistant	27.0
Patel	Mohammad	Staff/Assistant	1.8
Patel	Nikita	Staff/Assistant	12.1

Last Name	First Name	Title	Time
Sharma	Mahima	Staff/Assistant	4.0
Jindal	Arnav	Senior	1.5
Sawhney	Akhsay	Senior	2.0
Giordano	Concetta	Senior	15.0
Chopra	Luv	Associate	2.0
Singh	Mohit	Supervising Associate	1.0
Bhupendra Gidh	Harshala	Staff/Assistant	57.0
Jha	Deborat	Senior	5.0
Yousuf M.R	Mohammad	Associate	4.0
Munjial	Saksham	Senior	4.0
Wagner	Jeremy	Manager	1.0
Backner	Jared	Staff/Assistant	4.0
Breeding	Stephen	Senior Manager	3.9
Stix	Benjamin	Staff/Assistant	2.0
		Total	890.9

Total Fees Sought for Audit Services During Fee Period: \$600,000.00

Data Privacy Services

Last Name	First Name	Title	Time
Azad	Sadiq	Staff/Assistant	1.5
Bellon	Josephine	Manager	20.0
DePersiis	Brian	Partner/Principal	2.0
Hirsch	Alexander Samson	Senior Manager	22.0
Zimmerer	Tobin	Senior Manager	11.5
		Total	57.0

Total Fees Sought for Data Privacy Services During Fee Period: \$30,000.00

SUMMARY BY PROJECT CATEGORY

Information Security Assessment Services

Time Category	Category Descriptions	Hours
Current State Analysis	This category includes that analysis of the current policies and processes, to determine the maturity of processes across 20 domains	289.5
Total		289.5

Audit Services

Time Category	Category Descriptions	Hours
Bankruptcy	This category includes activities associated with incremental procedures related to the bankruptcy filing	23.1
Employee Benefit Plan Audit	This category includes activities associated with employee benefit plan (Pension and 401(k)) audits	6.3
Physical Inventory Counts	This category includes review of prior year physical inventory count documentation ,meetings, preparation of inventory counts and review of documents prepared by staff.	22.7
Planning Activities	This category relates to all audit planning activities.	227.9
Risk Assurance/IT Activities	This category relates to discussion, and analysis relating to application controls, IT audit progress and IT general controls.	485.6
Year-End Substantive Testing	This category includes activities associated with Year-End audit procedures	119.3
Quality Review	This category includes activities associated with Quality Review of audit procedures	6.0
Total		890.9

Data Privacy Services

Time Category	Category Descriptions	Hours
Data Privacy - Current State Analysis	This category includes the review of the migration plans as part of the Trust Services Agreement, for privacy and security risks.	57.0
Total		57.0

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PURDUE PHARMA L.P., et. al³)	
)	Case No. 19-23649 (RDD)
Debtors.)	
<hr style="width: 40%; margin-left: 0;"/>)	(Jointly Administered)

**FOURTH INTERIM APPLICATION OF ERNST & YOUNG LLP
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM OCTOBER 1, 2020 THROUGH JANUARY 31, 2021**

Pursuant to Sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and this Court’s November 21, 2019 order approving procedures for professional compensation requests in these cases, Ernst & Young LLP (“EY LLP”) hereby files this Interim Application for compensation as a retained professional to the above-captioned Debtors (this “Application”). By this Application, EY LLP respectfully requests allowance and payment of \$742,500.00 as compensation, with respect to services it provided to the Debtors during the period from October 1, 2020 through January 31, 2021 (the “Fee Period”).

³ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

Background

1. On September 15, 2019 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

2. The Debtors’ retention of EY LLP was approved by this Court’s Order entered on December 23, 2019, *nunc pro tunc* to September 15, 2019.

3. EY LLP is authorized to be compensated under the terms set forth in the engagement letters between the Debtors and EY LLP, and to be reimbursed for actual and necessary out-of-pocket expenses.

Compensation Paid and Its Source

4. All services for which EY LLP requests compensation were performed for or on behalf of the Debtors. EY LLP has received no payment and no promises for payment from any source other than the Debtors for services rendered or to be rendered in any capacity in connection with the matters covered by this Application.

Supporting Detail

5. During the Fee Period, EY LLP performed services for the Debtors. The total time spent by EY LLP with respect to the services for which it requests compensation hereunder was approximately 1,237.4 hours. The blended average hourly rate with respect to such services during the Fee Period was approximately \$717.63.

The supporting detail for this Application is attached hereto as **Exhibit A**, which contains the daily time information for each EY LLP professional during the Fee Period.

Applicable Law

6. Section 330(a)(1) of the Bankruptcy Code provides, in relevant part, as follows:

(a) (1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a ... professional person employed under section 327 or 1103 –

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

7. Section 330 of the Bankruptcy Code prescribes the general standards for determining the reasonableness of the amount of compensation sought by a professional. *See 3 Collier on Bankruptcy* ¶ 331.03 at 331-12. Congress enacted section 330 of the Bankruptcy Code to liberalize the practice of granting the allowance of compensation to professionals in bankruptcy cases in order to ensure that professionals be reasonably compensated and that future professionals not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation. *See In re Ames Dep't Stores, Inc.*, 76 F.3d 66, 72 (2d Cir. 1996) (quoting *In re UNR Indus., Inc.*, 986 F.2d 207, 208-09 (7th Cir. 1993)).

8. Section 330(a) of the Bankruptcy Code provides for the compensation of reasonable and necessary services rendered by professionals based on the time, the nature, the extent and the value of such services, and the cost of comparable services other than in a case under the Bankruptcy Code. *See* 11 U.S.C. § 330. The test for determining necessity is objective; focusing on what services a reasonable professional would have performed under the same circumstances. *See, e.g., In re Angelika Films 57th, Inc.*, 227 B.R. 29, 42 (Bankr. S.D.N.Y. 1998). This test does not rely on hindsight to determine the ultimate success or failure of the professional's actions. *See id.; In re Keene Corp.*, 205 B.R. 690, 696 (Bankr. S.D.N.Y. 1997). Ultimately, if the services of a professional are reasonably likely to benefit the debtor's estate, they should be compensable. *See Angelika Films*, 227 B.R. at 42.

9. EY LLP respectfully submits that the compensation sought in this Application is necessary and reasonable. The services that EY LLP rendered to the Debtors during the Fee Period required a high degree of professional competence. EY LLP performed efficiently, effectively and economically, and the results obtained have benefited the Debtors, their estates and creditors.

WHEREFORE, EY LLP hereby respectfully requests allowance and payment of \$742,500.00 as compensation, with respect to services it provided to the Debtors during the Fee Period. EY LLP also respectfully requests that it be granted such other and further relief as the Court may deem just and proper.

Dated: March 18, 2021

/s/Amelia M. Caporale

Amelia M. Caporale
Partner, Ernst & Young LLP
20 Church Street
Hartford, CT 06103

VERIFICATION

I hereby certify that:

1. I am a partner with the firm of Ernst & Young LLP (“EY LLP”). This certification is made pursuant to the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York* (the “Amended Guidelines”), in support of the foregoing fee application of EY LLP (the “Application”).

2. I hereby certify as follows: (a) I have read the Application; (b) to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought in the Application fall within the Amended Guidelines, except as specifically noted herein or in the Application; (c) except to the extent that fees or disbursements are prohibited by the Amended Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by EY LLP and generally accepted by EY LLP’s clients; and (d) in providing a service for which EY LLP seeks reimbursement of expenses, EY LLP does not make a profit on the service, whether the service is performed by EY LLP in-house or through a third party.

Dated: March 18, 2021

/s/Amelia M. Caporale
Amelia M. Caporale
Partner, Ernst & Young LLP
20 Church Street
Hartford, CT 06103